

# **Wernsing Scandinavia ApS**

**Adelvej 9, Skovlund, 6823 Ansager**

**Company reg. no. 30 50 70 29**

## **Annual report**

**1 January - 31 December 2020**

The annual report was submitted and approved by the general meeting on the 9 July 2021.

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**Martin Kuper**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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Today, the executive board has presented the annual report of Wernsing Scandinavia ApS for the financial year 1 January - 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2020, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Ansager, 9 July 2021

### **Executive board**

Stefan Wernsing

Martin Kuper

Martin Zwinkels

## **Independent auditor's report**

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### **To the shareholders of Wernsing Scandinavia ApS**

#### **Opinion**

We have audited the consolidated financial statements and the financial statements of Wernsing Scandinavia ApS for the financial year 1 January to 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes, consolidated and of the company, respectively and consolidated statement of cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2020 and of the results of the company's activities, consolidated and of the company, respectively and of consolidated cash flows, for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements**

Management is responsible for the preparation of consolidated financial statements and financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the financial statements, management is responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

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### **Auditor's responsibilities for the audit of the consolidated annual accounts and the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

## Independent auditor's report

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- Evaluate the overall presentation, structure, and contents of the consolidated financial statements and the financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 9 July 2021

### Grant Thornton

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

Brian Rasmussen  
State Authorised Public Accountant  
mne30153

Simon Mørner Nielsen  
State Authorised Public Accountant  
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## Company information

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### The company

Wernsing Scandinavia ApS  
Adelvej 9, Skovlund  
6823 Ansager

Phone +45 76 98 50 50

Company reg. no. 30 50 70 29

Financial year: 1 January - 31 December

### Executive board

Stefan Wernsing  
Martin Kuper  
Martin Zwinkels

### Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### Parent company

Wernsing Food Group GmbH

### Subsidiaries

WFG Denmark A/S, Skovlund, Denmark  
Flensted Food Group A/S, Skovlund, Denmark\*  
Flensted Snitgrønt A/S, Skovlund, Denmark\*  
WFG Sweden AB, Ödeshög, Sweden  
Vätternpotatis AB, Ödeshög, Sweden\*\*  
GG Handel i Skara AB, Skara, Sweden\*\*  
CNTB Fastigheter AB, Skara, Sweden\*\*  
Blekinge Delikatesser AB, Karlshamn, Sweden\*\*  
Wernsing Food Solutions AB, Karlshamn, Sweden\*\*  
Hallumgade Invest ApS, Kvong, Denmark  
Hallumgade Farming ApS, Kvong, Denmark\*\*\*  
Hallumgade Pig Production ApS, Kvong, Denmark\*\*\*  
LCT Produktion AB, Surte, Sweden\*\*  
=, \*Owned by WFG Denmark A/S  
=, \*\* Owned by WFG Sweden AB  
=, \*\*\*Owned by Hallumgade Invest ApS

## Consolidated financial highlights

DKK in thousands.	2020	2019	2018	2017	2016
<b>Income statement:</b>					
Revenue	838.729	916.122	889.499	921.580	768.375
Gross profit	192.384	214.315	186.924	208.077	177.943
Profit from operating activities	1.346	5.875	-21.690	5.221	6.498
Net financials	-7.306	-10.710	1.940	-3.843	-1.801
Net profit or loss for the year	-7.402	-4.778	-16.788	-2.499	1.352
<b>Statement of financial position:</b>					
Balance sheet total	911.706	871.858	881.125	804.619	580.798
Investments in property, plant and equipment	88.734	20.873	110.308	121.317	45.411
Equity	201.399	201.748	208.101	229.140	236.320
<b>Cash flows:</b>					
Operating activities	55.677	41.204	-8.439	48.956	23.974
Investing activities	-72.643	-13.417	-113.582	-269.279	-55.002
Financing activities	35.031	-8.183	104.530	226.499	39.389
Total cash flows	18.065	19.604	-17.491	6.176	8.361
<b>Employees:</b>					
Average number of full-time employees	305	348	346	335	319
<b>Key figures in %:</b>					
Gross margin ratio	22,9	23,4	21,0	22,6	23,2
Profit margin (EBIT-margin)	0,2	0,6	-2,4	0,6	0,8
Solvency ratio	21,4	22,4	23,6	28,5	40,7
Return on equity	-4,1	-5,1	-7,7	-1,1	0,6

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.



## **Management commentary**

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### **The principal activities of the group**

#### *Food*

The group is a production and trading company with production and sale of processed potato- and vegetable products together with production of dressings, saucers, and other related activities, in both Denmark and abroad.

#### *Agricultural*

Sales of piglets to the Danish market as well as export including owned plant production to the piglets production.

The principal activities of the parent company is to be parent company of wholly owned subsidiaries.

### **Uncertainties about recognition or measurement**

There has been no insecurity by recognition and measurement of accounting entries in the annual report during the financial year.

### **Development in activities and financial matters**

The revenue for the year totals DKK 839m against DKK 916m last year. Income or loss from ordinary activities after tax totals DKK -8,0m against DKK -10,3m last year. The result for 2020 has been as expected according to the annual report last year. The management consider the results as acceptable given the COVID-19 situation in the year.

### **Environmental issues**

Sustainability and food safety play an important role in the group and the group has the necessary environmental approvals and approvals for food production. The group continuously invests in energy improvements and green initiatives that help reducing both the CO<sub>2</sub>- and the plastic consumption.

### **Know how resources**

The ambition of being market leading and ahead of the business' development means that the group is marked by a dynamic knowledge environment in rapid change. This places particularly high demands on the group as regards obtaining a distribution of new knowledge and it complicates an efficient standardization of the products. At the same time, the individual solutions are characterized by a complexity in which the personal knowledge of individual employees plays a crucial role.

During 2020 the group has continued to strengthened the company's knowledge and competence by hiring experienced employees as well as training programs for relevant areas.

The group has an innovation and development department focusing on NPDs and adjustment of products in order to fulfill the market demands.

## **Management commentary**

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### **Expected developments**

During the next year, focus will still be on market conditions and the necessary adjustments will be made whilst retaining efficiency and optimization of the production.

The result for the coming financial year is expected to be at a more satisfactory level compared with 2020. The group focuses on ongoing growth in sales as well as efficiency improvements to ensure good competitive power. However, based on the present situation with Covid-19, the group's management cannot at present state anything about the financial consequences and expected results for the financial year 2021.

### **Events occurring after the end of the financial year**

Based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2021.

## Management commentary

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### Statement of corporate social responsibility

#### Business model

The Wernsing Scandinavia ApS group is a sub-group for the Scandinavian market for the family-owned Wernsing Food Family GmbH & Co. KG. The group operates as production and trading company with production and sale of processed potato- and vegetable products as well as production of dressings, sauces, and related goods. The company has three production sites in Denmark and Sweden, respectively. Further, the company has agriculture in Denmark with production of crops and piglets.

The group is operated with an ambition of producing and trading in a way so that we can offer eating pleasures of the highest quality to our customers – no matter if they are professionals, food professionals, or consumers. And it is important to us that this is done in a proper way in all respects. It is not possible to operate agriculture, production, and transportation without effecting nature, the environment, and people. Thus, the group is very aware of the responsibility that we have towards the world around us and towards our employees – and each day we strive to act responsibly and sustainably through our entire value chain. Through this, we work unceasingly to find more sustainable solutions of all our operations that effect the world around us and our stakeholders.

At our factories we have the most skilled employees with years of experience and specialty within each their field. Together we care about doing things properly and all the time we are looking at whether something can be done better.

A central benchmark of the group's CSR-strategy is UN's World Goal that sets the frame for a sustainable development of the world towards 2030. From an assessment of the group's core competencies and the areas on which we can make the biggest impact, the group has initially chosen to focus on the World Goal "Responsible consumption and production". We will especially work on a more sustainable and responsible handling of nature resources and waste products, including reducing food waste.

In the group company WFG Denmark A/S, a separate CSR-report has been prepared that comprises this company and its subsidiaries. The CSR-report can be obtained from the website <https://flensted.dk/>.

Wernsing Feinkost GmbH, a company within the parent group, has also prepared as separate CSR-report. This report can be obtained from the website <https://www.wernsing.de/>.

#### *Environmental issues – including climate change*

**Policies:** As a responsible producer of potato products etc., the groups has a policy of reducing the effect that its activities has on the environment and further to contribute actively to the development of sustainable solutions. Thus, as part of the group's strategy and policy the environmental impact is measured, and we work continuously on reducing this. A group goal is to continuously reduce energy consumption, water consumption, and to strengthen a sustainable use of resources.

## Management commentary

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**Risks, actions, and results:** The group's most significant risks of negative climatic impact are related to the energy consumption on the group's factories. The group continuously works on reducing the energy consumption and thus the CO<sub>2</sub>-emission in the group. We continuously invest in new machinery and improvements that are more energy effective. In the beginning of 2019, we finished the establishment of a wood chip plant at the company Flensted Food Group A/S. The wood chip plant is expected to reduce the group's consumption of nature gas with a yearly reduction of CO<sub>2</sub>-emission of 4.800 tons. Through the entire value chain, there is a strong focus on working on reducing food waste. For example, in Denmark we have established a cooperation with FødevareBanken (a food bank) and thus, we donate surplus products to FødevareBanken with the purpose of distributing food to shelters etc. for vulnerable citizens.

### *Social issues and employee issues*

**Policies:** We want to be the best possible work place for our employees on which we all have a good and secure working environment, exciting challenges and further possibilities of living our potential. In Wernsing we furthermore believe that diversity creates the most creative dynamics and the best preconditions for development and results.

**Risks, actions, and results:** The group's employees are the biggest resource by far. Thus, the group's focus must always start with our employees for us to ensure their security and health at job in the best possible way – every single day. Thus, we work according to an overall goal of preventing accidents, damages, and stress with our employees. In 2020, different improvements have been identified and now we initiate an extra effort to minimize the number of work damages. Among other things, we will do this by focusing on “nearly-accidents” so that we can find out what causes the accidents and thus prevent them in the future. We work diligently on strengthening competencies within working environment with representatives and other employees.

### *Human rights*

**Policies:** The group's policy for CSR also includes policies for human rights for compliance with relevant legislation and EU-conventions. Among other things, this means that there is a group policy to apply with EU's regulation on youth workers within the EU. The group does not allow a behaviour that restricts the employees' freedom of action, just as there is a group policy of securing equal conditions for all employees without regard to ethnic origin, skin colour, gender, nationality, religion, or other characteristics.

**Risks, actions, and results:** The group acknowledges the employees' right to organize. There are local agreements with several trade unions in both Denmark and Sweden. Significant raw material suppliers are requested to sign a Supplier Code of Conduct. We have a strong focus on food safety, where the group has the necessary certifications.

## Management commentary

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### Fighting corruption and bribery

**Policies:** Wernsing tolerates no kinds of corruption or bribery.

**Risks, actions, and resultat:** The group does not tolerate any kind of bribery charge. It is not allowed for the employees to receive or offer gifts, no matter the nature, that may be considered a reward with the purpose of favouring.

### Target figures and policies for the underrepresented gender

The group focuses on creation of value and considering the group's size this means that in relation to organizational changes and nomination of new board – and management members the group has to focus on knowledge, competences, and experience with the individual employees.

The group is part of Wernsing Food Family Group with its ultimate parent company, Wernsing Food Family Group GmbH & Co. KG (reg. no. HR A 150156). The top management recognizes the importance of diversity in the management and emphasizes equal opportunities for all, including for both genders. At present, the management of the Danish part of the Wernsing Scandinavia ApS group consists of one woman and one man (50/50). The board consists of the top management in Wernsing Food Family Group (all men). In the Swedish part of the group, the management consists of the top management in Wernsing Food Family Group.

The group emphasizes that the board consists of the members from the top management in the ultimate parent company in Wernsing Family Group because of the group's family structure. At present, the board only consists of men, but there is an ongoing process for assessment of the board's right composition where factors as skills and experience, regardless of gender, is crucial for the composition of the board.

The Danish group has a long-term goal of having minimum one third women in the management. In the Danish group, the broader leadership team consists of six men and three women, which according to policies is considered to be gender equal. In the Swedish part of the group, the broader leadership team consists of six men and zero women. Of the total number of managers in the group, women make up 20% against 29% last year. The decrease in 2020 is due to a senior employee being retired during the year.

## Accounting policies

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The annual report for Wernsing Scandinavia ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

## Accounting policies

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### The consolidated financial statements

The consolidated income statements comprise the parent company Wernsing Scandinavia ApS and those group enterprises of which Wernsing Scandinavia ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

#### *Consolidation policies*

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

### Business combinations

#### *Acquisitions completed by the 1 July 2018 or later (method of consolidation)*

Acquisition of group enterprises are dealt with in accordance with the acquisition method, and afterwards the assets and liabilities of the acquired entity are measured at fair value at the date of acquisition. If it is possible to measure the value reliably, acquired contingent liabilities are measured at fair value under the item Equity investments in group enterprises.

The date of acquisition is the date when control of the acquired entity is obtained.

The cost of the acquired entity represents the fair value of the consideration agreed upon, including the considerations that are conditional on future events. Transaction costs directly attributable to the acquisition of group enterprises are recognised in the income statement as incurred.

## Accounting policies

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Positive differences between the cost of the acquired entity and the identified assets and liabilities are recognised in the equity investment as goodwill, which is amortised on a straight-line basis in the income statement over the expected useful life. Amortisation of goodwill is allocated to the functions to which the goodwill relates. If the difference is negative, this is recognised immediately in the income statement.

If the allocation of the purchase price is not final, positive and negative differences from acquired group enterprises may, as a result of changes in recognition and measurement of the identified net assets, be adjusted up to 12 months from the date of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including depreciation already made.

If the cost includes contingent considerations, these are measured at fair value at the date of acquisition. Subsequently, contingent considerations at fair value are measured again. Value adjustments are recognised in the income statement.

In case of step-by-step acquisitions, the value of the hitherto equity holding in the acquired entity is measured again at the fair value at the date of acquisition. The difference between the carrying amount of the hitherto equity investment and the fair value is recognised in the income statement.

### *Business combinations (the uniting-of-interests method)*

In case of intercompany business combinations, the uniting-of-interests method is applied. By this method, the two enterprises are united at carrying amounts, and differences are not identified. Any considerations exceeding the carrying amount in the acquired entity are recognised directly in equity.

The application of the uniting-of-interests method means that the business combination is implemented as if the two enterprises always were united by modification of comparative figures.

### **Non-controlling interests**

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

## Income statement

### **Revenue**

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

### **Cost of sales**

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.



## Accounting policies

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### Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

### Other external costs

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Included in other external expenses are also research expenditure concerning development projects which do not meet the recognition criteria for the balance sheet.

### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

## Accounting policies

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The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

### Statement of financial position

#### Intangible assets

##### Development projects, patents, and licences

Acquired rights are measured at cost with deduction of accrued amortisation. Acquired rights are amortised over the expected period, however, for a maximum of 10 years.

#### Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is set at between 10 and 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategic acquirees with a strong market position and an expected longterm earnings profile.

#### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	15-50 years	0 %
Plant and machinery	5-20 years	0-30 %
Other fixtures and fittings, tools and equipment	3-10 years	0 %

## Accounting policies

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Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Leases

All other leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### Investments

#### Equity investments in group enterprises

Equity investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Equity investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

## Accounting policies

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Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Equity investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

### Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

Life stock is measured at market value as stated by Research Center for Agriculture Ø90.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

## Accounting policies

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### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

### Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

### Income tax and deferred tax

As administration company, Wernsing Scandinavia ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

## Accounting policies

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### Provisions

Provisions comprise expected costs for guarantee liabilities. Provisions are recognised when the group has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the group.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

### Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

### Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

### Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## **Accounting policies**

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### **Segmental statement**

Information on activity and geographical markets is provided. The segmental statement complies with the consolidated accounting policies, risks, and management control systems of the company.

**Income statement 1 January - 31 December**

DKK thousand.

Note	Group		Parent	
	2020	2019	2020	2019
2 Revenue	838.729	916.122	1	0
Other operating income	5.653	4.349	0	0
Costs of raw materials and consumables	-509.279	-552.236	0	0
Other external costs	-142.719	-153.920	-943	-1.036
<b>Gross profit</b>	<b>192.384</b>	<b>214.315</b>	<b>-942</b>	<b>-1.036</b>
4 Staff costs	-144.581	-166.636	0	0
Depreciation, amortisation, and impairment	-46.457	-41.804	0	0
<b>Operating profit</b>	<b>1.346</b>	<b>5.875</b>	<b>-942</b>	<b>-1.036</b>
Income from equity investments in group enterprises	0	0	-6.329	-6.272
Other financial income from group enterprises	0	0	4.131	4.810
Other financial income	0	109	0	0
5 Other financial costs	-7.306	-10.819	-5.304	-8.996
<b>Pre-tax net profit or loss</b>	<b>-5.960</b>	<b>-4.835</b>	<b>-8.444</b>	<b>-11.494</b>
6 Tax on net profit or loss for the year	-1.442	57	466	1.145
<b>7 Net profit or loss for the year</b>	<b>-7.402</b>	<b>-4.778</b>	<b>-7.978</b>	<b>-10.349</b>
Break-down of the consolidated profit or loss:				
Shareholders in Wernsing Scandinavia ApS	-7.978	-10.349		
Non-controlling interests	576	5.571		
	<b>-7.402</b>	<b>-4.778</b>		



## Statement of financial position at 31 December

DKK thousand.

<b>Assets</b>				
Note	Group		Parent	
	2020	2019	2020	2019
<b>Non-current assets</b>				
8 Acquired rights	1.285	1.296	0	0
9 Goodwill	27.309	32.466	0	0
Total intangible assets	28.594	33.762	0	0
10 Property	374.663	347.015	0	0
11 Plant and machinery	146.498	137.743	0	0
12 Other fixtures and fittings, tools and equipment	11.076	11.879	0	0
13 Property, plant, and equipment under construction including pre-payments for property, plant, and equipment	10.373	10.198	0	0
Total property, plant, and equipment	542.610	506.835	0	0
14 Equity investments in group enterprises	0	0	186.622	148.686
Equity investments in associates	0	0	0	0
15 Other receivables	2.602	2.845	0	0
Total investments	2.602	2.845	186.622	148.686
<b>Total non-current assets</b>	<b>573.806</b>	<b>543.442</b>	<b>186.622</b>	<b>148.686</b>

## Statement of financial position at 31 December

DKK thousand.

<b>Assets</b>				
Note	Group		Parent	
	2020	2019	2020	2019
<b>Current assets</b>				
Raw materials and consumables	45.082	41.971	0	0
Manufactured goods and goods for resale	67.281	65.170	0	0
Life stock	11.111	14.363	0	0
Total inventories	123.474	121.504	0	0
Trade receivables	112.620	126.798	0	0
Receivables from group enterprises	0	0	532.995	500.006
16 Deferred tax assets	0	0	862	0
Income tax receivables	1.813	1.545	0	0
Tax receivables from group enterprises	0	0	194	1.145
Other receivables	9.460	8.922	168	70
17 Prepayments and accrued income	6.577	3.756	0	0
Total receivables	130.470	141.021	534.219	501.221
Cash on hand and demand deposits	83.956	65.891	7.447	527
<b>Total current assets</b>	<b>337.900</b>	<b>328.416</b>	<b>541.666</b>	<b>501.748</b>
<b>Total assets</b>	<b>911.706</b>	<b>871.858</b>	<b>728.288</b>	<b>650.434</b>

**Statement of financial position at 31 December**

DKK thousand.

<b>Equity and liabilities</b>				
Note	Group		Parent	
	2020	2019	2020	2019
<b>Equity</b>				
18	Contributed capital	286.633	286.633	286.633
	Reserve for foreign currency translation	7.278	0	0
	Retained earnings	-98.992	-98.992	-91.014
	Equity before non-controlling interest.	194.919	194.919	195.619
19	Non-controlling interests	6.480	0	0
	<b>Total equity</b>	<b>201.399</b>	<b>194.919</b>	<b>195.619</b>
<b>Provisions</b>				
20	Provisions for deferred tax	1.818	0	0
21	Other provisions	885	0	0
	<b>Total provisions</b>	<b>2.703</b>	<b>0</b>	<b>0</b>
<b>Liabilities other than provisions</b>				
22	Mortgage loans	45.747	0	0
	Total long term liabilities other than provisions	45.747	0	0
	Short-term part of long-term liabilities	7.950	0	0
	Trade payables	55.779	211	190
	Payables to group enterprises	539.159	533.159	453.877
	Other payables	58.969	-1	748
	Total short term liabilities other than provisions	661.857	533.369	454.815
	<b>Total liabilities other than provisions</b>	<b>707.604</b>	<b>533.369</b>	<b>454.815</b>
	<b>Total equity and liabilities</b>	<b>911.706</b>	<b>728.288</b>	<b>650.434</b>

**Statement of financial position at 31 December**

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DKK thousand.

<b>Equity and liabilities</b>				
<u>Note</u>	Group		Parent	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>1</b>				
<b>Subsequent events</b>				
<b>3</b>				
<b>Fees, auditor</b>				
<b>23</b>				
<b>Charges and security</b>				
<b>24</b>				
<b>Contingencies</b>				
<b>25</b>				
<b>Related parties</b>				

**Consolidated statement of changes in equity**

DKK thousand.

	Contributed capital not paid	Reserve for foreign currency translation	Retained earnings	Non- controlling interests	Total
Equity 1 January 2019	286.633	0	-78.532	0	208.101
Profit or loss for the year brought forward	0	0	-10.349	5.571	-4.778
Currency changes	0	0	-2.133	0	-2.133
Acquisition of shares	0	0	0	558	558
Equity 1 January 2020	286.633	0	-91.014	6.129	201.748
Profit or loss for the year brought forward	0	0	-7.978	576	-7.402
Extraordinary dividend adopted during the financial year	0	0	0	-225	-225
Foreign currency translation adjustments	0	7.278	0	0	7.278
	<b>286.633</b>	<b>7.278</b>	<b>-98.992</b>	<b>6.480</b>	<b>201.399</b>

**Statement of changes in equity of the parent**

DKK thousand.

	Contributed capital	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 January 2019	286.633	0	-78.532	208.101
Profit or loss for the year brought forward	0	0	-10.349	-10.349
Currency changes	0	0	-2.133	-2.133
Equity 1 January 2020	286.633	0	-91.014	195.619
Profit or loss for the year brought forward	0	0	-7.978	-7.978
Foreign currency translation adjustments	0	7.278	0	7.278
	<b>286.633</b>	<b>7.278</b>	<b>-98.992</b>	<b>194.919</b>

## Statement of cash flows 1 January - 31 December

DKK thousand.

Note	Group	
	2020	2019
Net profit or loss for the year	-7.402	-4.778
26 Adjustments	57.779	48.850
27 Change in working capital	8.986	3.610
Cash flows from operating activities before net financials	59.363	47.682
Interest received, etc.	0	109
Interest paid, etc.	-3.171	-5.800
Cash flows from ordinary activities	56.192	41.991
Income tax paid	-515	-787
<b>Cash flows from operating activities</b>	<b>55.677</b>	<b>41.204</b>
Purchase of intangible assets	-196	-55
Purchase of property, plant, and equipment	-88.734	-20.873
Sale of property, plant, and equipment	16.044	10.356
Other cash flows from (spent on) investment activities	243	-2.845
<b>Cash flows from investment activities</b>	<b>-72.643</b>	<b>-13.417</b>
Repayments of long-term payables	-7.904	-8.027
Other cash flows from financing activities	42.935	-156
<b>Cash flows from investment activities</b>	<b>35.031</b>	<b>-8.183</b>
<b>Change in cash and cash equivalents</b>	<b>18.065</b>	<b>19.604</b>
Cash and cash equivalents at 1 January 2020	65.891	46.287
<b>Cash and cash equivalents at 31 December 2020</b>	<b>83.956</b>	<b>65.891</b>
<b>Cash and cash equivalents</b>		
Cash on hand and demand deposits	83.956	65.891
<b>Cash and cash equivalents at 31 December 2020</b>	<b>83.956</b>	<b>65.891</b>

## Notes

DKK thousand.

### 1. Subsequent events

Based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2021.

### 2. Revenue

#### Segmental statement

Activities – primary segment:

	<b>Food</b>	<b>Agriculture</b>	<b>Total</b>
Group	792.381	46.348	838.729

Geographical – secondary segment:

	<b>Denmark</b>	<b>Sweden</b>	<b>Other countries in EU</b>	<b>Countries outside EU</b>	<b>Total</b>
Group	459.655	287.670	89.414	1.990	838.729

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>

### 3. Fees, auditor

Total fee for Grant Thornton, State Authorised Public Accountants

	1.449	1.350
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Fee concerning compulsory audit

534	562
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Tax consultancy

135	93
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Assurance engagements

53	46
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Other services

727	649
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<b>1.449</b>	<b>1.350</b>
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Total fee for Moore Stephens KLN AB

426	382
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Fee concerning compulsory audit

395	373
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Other services

31	9
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<b>426</b>	<b>382</b>
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## Notes

DKK thousand.

	Group		Parent	
	2020	2019	2020	2019
<b>4. Staff costs</b>				
Salaries and wages	123.491	142.340	0	0
Pension costs	9.625	10.809	0	0
Other costs for social security	10.728	11.760	0	0
Other staff costs	737	1.727	0	0
	<b>144.581</b>	<b>166.636</b>	<b>0</b>	<b>0</b>
Executive board	658	663	0	0
Average number of employees	305	348	0	0
<b>5. Other financial costs</b>				
Financial costs, group enterprises	3.913	4.386	3.783	3.958
Other financial costs	3.393	6.433	1.521	5.038
	<b>7.306</b>	<b>10.819</b>	<b>5.304</b>	<b>8.996</b>
<b>6. Tax on net profit or loss for the year</b>				
Tax of the results for the year, parent company	246	477	-194	-1.145
Adjustment for the year of deferred tax	1.196	-534	-272	0
	<b>1.442</b>	<b>-57</b>	<b>-466</b>	<b>-1.145</b>
<b>7. Proposed appropriation of net profit</b>				
Allocated from retained earnings			-7.978	-10.349
<b>Total allocations and transfers</b>			<b>-7.978</b>	<b>-10.349</b>



## Notes

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DKK thousand.

	Group	
	31/12 2020	31/12 2019
<b>8. Acquired rights</b>		
Cost 1 January 2020	1.839	1.805
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	3	-1
Additions during the year	196	35
<b>Cost 31 December 2020</b>	<b>2.038</b>	<b>1.839</b>
Amortisation and writedown 1 January 2020	-543	-353
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-1	0
Amortisation for the year	-209	-190
<b>Amortisation and writedown 31 December 2020</b>	<b>-753</b>	<b>-543</b>
<b>Carrying amount, 31 December 2020</b>	<b>1.285</b>	<b>1.296</b>
<b>9. Goodwill</b>		
Cost 1 January 2020	97.065	97.551
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	1.059	-486
<b>Cost 31 December 2020</b>	<b>98.124</b>	<b>97.065</b>
Amortisation and writedown 1 January 2020	-64.599	-59.182
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-616	162
Amortisation for the year	-5.600	-5.579
<b>Amortisation and writedown 31 December 2020</b>	<b>-70.815</b>	<b>-64.599</b>
<b>Carrying amount, 31 December 2020</b>	<b>27.309</b>	<b>32.466</b>

## Notes

DKK thousand.

	Group	
	31/12 2020	31/12 2019
<b>10. Property</b>		
Cost 1 January 2020	507.684	506.255
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	2.134	-979
Additions during the year	49.762	2.101
Disposals during the year	-22.100	-10.402
Transfers	0	10.709
<b>Cost 31 December 2020</b>	<b>537.480</b>	<b>507.684</b>
Depreciation and writedown 1 January 2020	-160.669	-155.773
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-986	371
Depreciation for the year	-13.519	-12.715
Reversal of depreciation, amortisation and writedown, assets disposed of	12.357	7.448
<b>Depreciation and writedown 31 December 2020</b>	<b>-162.817</b>	<b>-160.669</b>
<b>Carrying amount, 31 December 2020</b>	<b>374.663</b>	<b>347.015</b>
<b>11. Plant and machinery</b>		
Cost 1 January 2020	482.211	475.687
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	3.536	-1.576
Additions during the year	27.791	7.160
Disposals during the year	-34.976	-19.740
Transfers	9.822	20.680
<b>Cost 31 December 2020</b>	<b>488.384</b>	<b>482.211</b>
Depreciation and writedown 1 January 2020	-344.468	-341.069
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-2.836	1.100
Depreciation for the year	-25.141	-21.412
Reversal of depreciation, amortisation and writedown, assets disposed of	30.559	16.913
<b>Depreciation and writedown 31 December 2020</b>	<b>-341.886</b>	<b>-344.468</b>
<b>Carrying amount, 31 December 2020</b>	<b>146.498</b>	<b>137.743</b>

## Notes

DKK thousand.

	Group	
	31/12 2020	31/12 2019
<b>12. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2020	16.832	17.090
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	123	-56
Additions during the year	1.144	1.426
Disposals during the year	-91	-1.628
Transfers	53	0
<b>Cost 31 December 2020</b>	<b>18.061</b>	<b>16.832</b>
Depreciation and writedown 1 January 2020	-4.953	-3.846
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	-91	19
Depreciation for the year	-1.988	-1.909
Reversal of depreciation, amortisation and writedown, assets disposed of	47	783
<b>Depreciation and writedown 31 December 2020</b>	<b>-6.985</b>	<b>-4.953</b>
<b>Carrying amount, 31 December 2020</b>	<b>11.076</b>	<b>11.879</b>
<b>13. Property, plant, and equipment under construction including pre-payments for property, plant, and equipment</b>		
Cost 1 January 2020	10.198	31.401
Translation by use of the exchange rate valid on balance sheet date 31 December 2020	13	0
Additions during the year	10.037	10.186
Disposals during the year	-9.875	0
Transfers	0	-31.389
<b>Cost 31 December 2020</b>	<b>10.373</b>	<b>10.198</b>
<b>Carrying amount, 31 December 2020</b>	<b>10.373</b>	<b>10.198</b>

## Notes

DKK thousand.

	31/12 2020	Parent 31/12 2019
<b>14. Equity investments in group enterprises</b>		
Acquisition sum, opening balance 1 January 2020	203.369	202.909
Additions during the year	36.985	0
<b>Cost 31 December 2020</b>	<b>240.354</b>	<b>202.909</b>
Revaluations, opening balance 1 January 2020	-54.681	-46.277
Results for the year before goodwill amortisation	-6.329	-5.820
Translation adjustment at year-end rate	7.278	-2.126
<b>Revaluation 31 December 2020</b>	<b>-53.732</b>	<b>-54.223</b>
<b>Carrying amount, 31 December 2020</b>	<b>186.622</b>	<b>148.686</b>

### Group enterprises:

	Domicile	Equity interest
WFG Denmark A/S	Skovlund, Denmark	100 %
Flensted Food Group A/S	Skovlund, Denmark*	100 %
Flensted Snitgrønt A/S	Skovlund, Denmark*	100 %
WFG Sweden AB	Ödeshög, Sweden	100 %
Vätternpotatis AB	Ödeshög, Sweden**	100 %
GG Handel i Skara AB	Skara, Sweden**	100 %
CNTB Fastigheter AB	Skara, Sweden**	100 %
Blekinge Delikatesser AB	Karlshamn, Sweden**	100 %
Wernsing Food Solutions AB	Karlshamn, Sweden**	100 %
Hallumgade Invest ApS	Kvong, Denmark	100 %
Hallumgade Farming ApS	Kvong, Denmark***	100 %
Hallumgade Pig Production ApS	Kvong, Denmark***	10 %
LCT Produktion AB	Surte, Sweden**	100 %
=	*Owned by WFG Denmark A/S	%
=	** Owned by WFG Sweden AB	%
=	***Owned by Hallumgade Invest ApS	%

## Notes

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DKK thousand.

	Group	
	31/12 2020	31/12 2019
<b>15. Other receivables</b>		
Cost 1 January 2020	2.845	0
Additions during the year	0	2.845
Disposals during the year	-243	0
<b>Cost 31 December 2020</b>	<b>2.602</b>	<b>2.845</b>
<b>Carrying amount, 31 December 2020</b>	<b>2.602</b>	<b>2.845</b>

### 16. Deferred tax assets

Deferred tax assets concerns tax losses to carry forward. Deferred tax assets are expected to be used within the joint taxation group.

### 17. Prepayments and accrued income

Accrued income and deferred expenses consists of prepaid expenses concerning insurance premiums and subscriptions.

### 18. Contributed capital

The share capital consists of 2.866.325 shares, each with a nominal value of DKK 100.

Within the latest five years, no changes in the share capital have taken place.

	Group	
	31/12 2020	31/12 2019
<b>19. Non-controlling interests</b>		
Non-controlling interests 1 January 2020	6.129	0
Share of the results for the year	576	5.571
Dividend	-225	0
Change in connection with purchase of shares	0	558
	<b>6.480</b>	<b>6.129</b>

## Notes

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DKK thousand.

### 20. Provisions for deferred tax

Deferred tax concerns intangible and tangible fixed assets, prepaid costs, inventories and tax loss to carry forward.

	Group	
	31/12 2020	31/12 2019
<b>21. Other provisions</b>		
Other provisions 1 January 2020	965	733
Change of the year in other provisions	-80	232
	<b>885</b>	<b>965</b>
Maturity is expected to be:		
0-1 years	885	965
	<b>885</b>	<b>965</b>

### 22. Mortgage loans

Total mortgage loans	53.697	58.592
Share of amount due within 1 year	-7.950	-7.890
	<b>45.747</b>	<b>50.702</b>
Share of liabilities due after 5 years	9.900	18.270

### 23. Charges and security

The company Flensted Food Group A/S has granted negative pledge to Skandinaviska Enskilda Banken, Denmark deriving from sale of goods and services relating to Dansk Supermarked A/S.

As security for mortgage debts, tDKK 50.688, mortgage has been granted on land and buildings representing a book value of tDKK 130.818 at 31 December 2020.

## Notes

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DKK thousand.

### 24. Contingencies

#### Contingent liabilities

The company has issued a self-declaration guarantee against the subsidiary's balance with mortgage credit institutions. The debt amounts to tDKK 50.688 at balance sheet date.

The company is subject to a jointly co-registration of VAT with Flensted Food Group A/S, Flensted Snitgrønt A/S and WFG Denmark A/S and unlimited jointly and severally liable with the other jointly cooperated VAT-companies for the total VAT

#### Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

### 25. Related parties

#### Controlling interest

Wernsing Food Family GmbH & Co. KG, Kartoffelweg 1, 49632 Essen (Oldenburg), Germany      Majority shareholder

Wernsing Food Group GmbH, Kartoffelweg 1, 49632 Essen (Oldenburg), Germany      Majority shareholder

#### Transactions

All transactions are made on market terms.

## Notes

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DKK thousand.

### Consolidated financial statements

None of the company's parent companies present consolidated financial statements.

The ultimate parent company in which the company is included as a subsidiary, is Wernsing Food Family Group GmbH & Co. KG. The consolidated annual accounts can be obtained on [www.bundesanzeiger.de](http://www.bundesanzeiger.de).

### 26. Adjustments

Depreciation, amortisation, and impairment	46.457	41.804
Profit from disposal of non-current assets	-1.830	-4.349
Other financial income	0	-109
Other financial costs	7.307	10.819
Tax on net profit or loss for the year	1.442	-57
Other provisions	-80	232
Other adjustments	4.483	510
	<u>57.779</u>	<u>48.850</u>

### 27. Change in working capital

Change in inventories	-1.971	-10.251
Change in receivables	10.819	13.479
Change in trade payables and other payables	138	382
	<u>8.986</u>	<u>3.610</u>